Item 13.

Exemption from Tender - Resilience Data Platform

File No: X088937

Summary

This report seeks an exemption from tender for the City's Resilience Data Platform to serve the City of Sydney and Resilient Sydney following a Request for Information process that demonstrated that no off-the-shelf licencing product exists that is comparable to the customised platform currently in use.

The City seeks to continue use of the customised data collection and reporting platform it uses to monitor and report against City-wide targets and commitments under the Environmental Strategy 2021-2025 and to support the Resilient Sydney region-wide strategic collaboration with the 32 partner metropolitan councils. Data from these platforms support the City and partner councils to respond to the Climate Emergency and provides visibility on progress against council targets and NSW Government targets from the NSW Net Zero Plan and Greater Sydney Region Plan. The current platform service contracts expire in June 2023.

These services enable the City and the Resilient Sydney program to provide 'best in class' environmental and resilience reporting on programs, initiatives, policies and investments in Sydney. Visualisations, data and analysis from the platform are used in the City's IP&R reporting for Sustainable Sydney 2030-2050, the Green Report, Resilient Sydney program reports, reporting on the Better Buildings Partnership (BBP) Program, Sustainable Destination Partnership (SDP), and CitySwitch. Data from the platform is used to fulfill the City's reporting obligations to global programs C40, CDP, Resilient Cities Network and Carbon Neutral Cities Alliance (CNCA). Platform data is used as evidence to support advocacy to state and federal governments on sustainability, resilience and planning.

Sustainability software and consultancy services company Kinesis Pty Ltd (ABN: 69122653936) is contracted by the City to host and support two 'software as a service' environmental and resilience data platforms using the CCAP City product including sourcing, collection and validation of environmental and resilience data, consulting analysis and reporting through visualisations and capacity building training for council staff. There are two contracted tenancies in place:

- City of Sydney Local Government Area environmental data platform (since 2015); and

- Resilient Sydney Platform (since 2019), hosted by the City with financial contributions from 33 councils in Greater Sydney that form the Resilient Sydney network.

The City undertook a Request for Information (RFI) process in October 2022 to test the capacity of the market to deliver comparable services to those delivered under the current contracts. The City proposes to seek a value for money proposal from the incumbent to retain and improve services to meet the City's evolving needs.

This report recommends that Council grant an exemption from tender for continuation of the Resilience Data Platform where:

> (i)   the CCAP City tool product remains a unique service offering in the market for resilience and sustainability data platforms for community level Local Government Area data;

> (ii)   the cost to invite tenders to develop a potential alternative proprietary solution would require significant additional investment from the City and partner metropolitan councils, and create an impost on staff time and resourcing and potential delays in service; and

> (iii)   the current services provided are fit for purpose and represent value for money to the City.

It is recommended that Council approve an exemption from tender for the Resilience Data Platform services provide consistent, cost effective and quality environmental and resilience data and reporting for City of Sydney and across Greater Sydney in accordance with the City's Community Strategic Plan.

Recommendation

It is resolved that:

(A)   Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 for the Resilience Data Platform for up to seven years following a Request for Information process demonstrating that:

  (i)   no comparable off-the-shelf licencing product exists; and

  (ii)   development of a comparable service would introduce significant additional cost and increased risk to the City;

(B)   Council note that a satisfactory result would not be achieved by inviting tenders for this work because:

  (i)   the Data Analysis and Reporting CCAP City tool that underpins the Resilience Data Platform services remains a unique service offering in the market;

  (ii)   the cost to invite tenders and to develop a potential alternative proprietary solution would require a significant additional investment from the City and its partner metropolitan councils using the tool, particularly with respect to staff time and resourcing across all parties; and

  (iii)   the current services provided are fit for purpose and represent value for money to the City;

(C)   authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract(s) relating to the Resilience Data Platform on terms acceptable to the City, for a period of up to seven years (a term of three years with the two options for extension of two years each, if appropriate) and for the total contract sum detailed in Confidential Attachment A to the subject report; and

(D)   Council note that the total contract sum and contingency for the project is outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A.   Financial and Contractual Implications (Confidential)

Background

1. The City uses two customised data collection and reporting platforms to monitor, take effective action and report against the targets set in the City's Community Strategic Plan Sustainable Sydney 2030-2050 under Directions 1, 2 and 7. These objectives are realised through targets in the City's Environmental Strategy 2021-2025, and the Resilient Sydney Strategy (2018).

2. Relevant objectives include:

    (a)   1.5 The transformation of the city is enabled by successful partnerships and collaboration;

    (b)   2.1 The city reaches net zero emissions by 2035 with embodied carbon significantly reduced;

    (c)   2.5 All city residents and businesses have the capacity to reduce emissions, adapt to a changing climate and share sustainable solutions; and

    (d)   7.3 Infrastructure, services and communities are prepared for and can withstand the impacts of acute shocks and chronic stresses and emergency situations.

3. The City's Environmental Strategy 2021-2025 sets targets for the City of Sydney Local Government Area (LGA) for reducing Greenhouse Gas (GHG) emissions, potable water consumption, and waste to landfill. In addition, the City has set clear targets to increase energy provision from renewable sources, resource recovery from waste, recycled water usage and greening. Since 2015, City of Sydney has used a customised data collection and reporting platform to understand how it is progressing and to report against its sustainability related (LGA) commitments. The data platform ensures the City has the information it needs to engage with its stakeholders, residents, workers and visitors in understanding progress and performance.

4. Concurrently, the City of Sydney hosts the Resilient Sydney Program, its region-wide strategic collaboration across the 33 metropolitan councils of Greater Sydney. Since 2019, this program has hosted a regional data Platform to cover each Local Government Area in metropolitan Sydney, creating a critical baseline reporting and comparative decision making tool for local governments of metropolitan Sydney. Member councils make annual financial contributions to the program which supports delivery of the Resilient Sydney Platform and the Resilient Sydney Strategy (2018). The Platform enables acceleration and region-wide collaboration and advocacy around key environmental and resilience objectives for the City. There are 330 council users of the data platform in Greater Sydney.

5. Platform services enable the City and the Resilient Sydney program to provide 'best in class' environmental and resilience reporting on programs, initiatives, policies and investments in Sydney. Visualisations, data and analysis from the platform are used in the City's IP&R reporting for Sustainable Sydney 2030-2050, the Green Report, Resilient Sydney program reports, reporting on the Better Buildings Partnership (BBP) Program, Sustainable Destination Partnership (SDP), and CitySwitch.

6. Data from the platforms is used to fulfill the City's reporting obligations to global programs C40, CDP, Resilient Cities Network and Carbon Neutral Cities Alliance (CNCA). Data from the platforms is used as evidence to support advocacy to state and federal governments on sustainability, resilience and planning.

Platform Services

7.   Sustainability software and consultancy services company Kinesis Pty Ltd is contracted by the City to host and support two 'software as a service' environmental and resilience data platforms using the 'CCAP City' licenced product including sourcing, collection and validation of environmental and resilience data, consulting analysis and reporting through visualisations and capacity building training for council staff. There are two contracted tenancies in place:

   (i)   City of Sydney Local Government Area environmental data platform (since 2015); and

   (ii)   Resilient Sydney Platform (since 2019), hosted by the City with financial contributions from councils on behalf of 33 Local Government Areas of Greater Sydney.

8.   The City requires continuation of the Platforms beyond the current contract terms which expire end June 2023.

9.   In October 2022, the City conducted a Request for Information (RFI) to understand if a comparable off-the-shelf licenced platform was available in the market. The Request for Information sought submissions from proponents outlining provision of:

   (a)   an overall view of the community-wide sustainability, resilience and environmental performance of the Local Government Area and the other 32 Local Government Areas that make up the Greater Sydney region;

   (b)   building-level environmental performance monitoring and analysis for buildings participating in the City's sustainability programs;

   (c)   information relating to the emissions profile of the Local Government Area on a sectorial basis to facilitate planning, target setting and reporting to global frameworks that the City is a participant of;

   (d)   performance monitoring of sustainability programs and their participants within their relevant sectors through consistent reporting;

   (e)   analytical insights into the effectiveness of the City led programs based on participant performance, trends in the market and related factors; and

   (f)   support to the Resilient Sydney team with capacity building of local governments to improve their ability to evidence local targets and plans and collaborate on policy advocacy.

10. Fourteen submissions were received and assessed by a Request for Information panel which included staff from the City's Resilient Sydney Office, Sustainability and Resilience, Data and Information Management Services Unit, and Technology and Digital Services teams. The panel assessed that beyond the incumbent, none of the proponents provided a comparable off-the-shelf licencing product.

11.   Over seven years from 2015-2022, the City has worked with the current Platform provider to invest in customisations of the licenced product 'CCAP City' to meet the City's evolving requirements. Should the City invite tenders, it is anticipated that due to the immaturity of other offerings currently available in the market, the City would need to make a significant investment and incur significant staff time imposts to manage such a project, with increased risk to delivery and costs of the service to users.

12.   It is not recommended that open tenders be invited for the provision of resilience data platform services at this time. Value for money outcomes will be optimised through negotiation and leverage of the City's long term business partnership.

13.   The City has explored with the incumbent the best technical and business outcomes with respect to hosting, access and ongoing development of the City's Resilience Data Platform, seeking to derive the best value for money and business outcomes.

Performance Measurement

14.   The City has successfully used CCAP City software since 2015. The project team have conducted annual performance reviews with the contractor over the term which confirm performance of the software application and service delivery is considered satisfactory and competent in performing its functions, and fit for the City's Sustainability and Resilience, and Resilient Sydney Office purposes.

15.   The user base of the Resilient Sydney Platform has grown to 330 council staff across the Greater Sydney region, an increase of 98 per cent over a three-year period. The Platform Masterclass workshop series delivered in partnership with the current supplier over the period have a user satisfaction rating of 4.5 out of 5.

16.   The City and the Platform have been awarded Smart City awards from the Committee for Sydney and the Greater Cities Commission and been showcased in international meetings as 'best in class' city resilience and sustainability reporting tools.

Financial Implications

17.   There are sufficient funds allocated for this project within the draft 2023/24 operating budget and future year forward estimates to meet the requirements as detailed in the Confidential Attachment A.

18.   The 33 Greater Sydney partner councils make annual financial contributions to the Resilient Sydney Office, which support delivery of the Resilience Data Platform. It is anticipated that these financial contributions will offset the majority of the costs of the Resilient Sydney platform tenancy. However, the City will be the party liable to make all payments to Kinesis under any proposed terms of the contract.

Relevant Legislation

19.   The exemption from tender process has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

20.   Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

21.   Attachment A contains confidential commercial information which, if disclosed, would:

(a)   confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and

(b)   prejudice the commercial position of the person who supplied it.

22.   Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

23.   The City's current contracts with Kinesis Pty Ltd for delivery of two 'software as a service' environmental and resilience data platforms are due to expire end June 2023.

Options

24.   The project team considered whether the data services required could be delivered in-house, however the significant resourcing and specialist policy analysis and expertise required to maintain could not be delivered by City resourcing and future services should continue to be outsourced to an external party.

25.   Should the City not proceed with the continuation of the Resilience Data Platform, the City will no longer be able to monitor and report against the environmental and resilience targets in Environmental Strategy 2021-2025, the Resilient Sydney Strategy (2018) and will significantly reduce its ability to lead and enable local and metropolitan action in line with its Community Strategic Plan commitments. Greater Sydney councils highly value access to the product and over the last five years they have financially contributed funds to the City of Sydney to maintain the Resilient Sydney Platform.

Public Consultation

26.   The ambitions and targets outlined in the City's Environmental Strategy 2021-2025 were developed and endorsed with regard to the findings of community consultation activities undertaken in preparation for the Sustainable Sydney 2050 plan. Survey results captured indicated overall support for the draft strategy's vision and confidence in the City's ability to meet the targets and vision. Eighty seven per cent of community respondents were either very worried or worried about the impacts of climate change. The ongoing Resilience Data Platform service enables monitoring and reporting against commitments made to the community in the strategy.

27.   The Resilient Sydney Program, Platform, and strategic direction received strong endorsement from its 33 member councils with all 33 General Managers of Sydney's councils providing Letters of Support in June 2022 for continuation of the Program and Platform, noting Resilient Sydney's critical role in improving how different levels of government in Sydney implement evidence-based policy and action for community resilience across the Sydney region.

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